

*Richmond Hill Inn, Asheville, North Carolina*

**LAND SALE NO. 2**

Property Identification

Record ID	2202
Property Type	Commercial, Discount Retail
Property Name	Target Site
Address	365 Rockwood Road, Arden, Buncombe County, North Carolina
Location	S Asheville
Tax ID	964302660662

Sale Data

Grantor	Southridge Associates
Grantee	Target Corporation
Sale Date	April, 2003
Deed Book/Page	3180/38
Property Rights	Fee Simple
Conditions of Sale	Market Transaction
Financing	Cash or Cash Equivalent
Verification	Other sources: Public Records; Confirmed by jp

Sale Price	\$2,500,000
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Land Data

Topography	Rolling
Utilities	EWSG
Shape	Irregular

Land Size Information

Gross Land Size	12.090 Acres or 526,640 SF
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Indicators

Sale Price/Gross Acre	\$206,782
Sale Price/Gross SF	4.75

Remarks

Site purchased for construction of Target Store.

*Richmond Hill Inn, Asheville, North Carolina*

LAND SALE NO. 3



Property Identification

Record ID	2203
Property Type	Commercial, Discount Retail
Property Name	Target Site - Airport Rd
Address	360 Airport Road, Arden, Buncombe County, North Carolina
Location	Arden - Airport Road
Tax ID	964302569878,673062,870727 See Verif Com
Township	Arden
Access	Good
Street Imp	Asphalt Paved

Sale Data

Grantor	Ruby Anderson, ETAL
Grantee	Southridge Associates
Sale Date	April, 2003
Deed Book/Page	3179/822
Recorded Plat	74/71 +
Property Rights	Fee Simple
Conditions of Sale	Market
Financing	Cash to seller
Easements	Normal
Verification	Other sources; Public Records; Confirmed by jp

Sale Data (Cont.)

Sale Price	\$3,600,000
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Land Data

Topography	Level/GSlope/Sloping
Utilities	EWSG
Shape	Irregular
Flood Info	Not in flood plain
H/B Use	Shopping Center Development

*Richmond Hill Inn, Asheville, North Carolina*

**LAND SALE NO. 3 (Cont.)**

**Land Size Information**

Gross Land Size	40.870 Acres or 1,780,297 SF
Front Footage	Airport Rd; I-26

**Indicators**

Sale Price/Gross Acre	\$88,084
Sale Price/Gross SF	2.02

**Remarks**

Average tract purchased for site of new Target Store. Assembled 6 tracts.

*Richmond Hill Inn, Asheville, North Carolina*

LAND SALE NO. 4

Property Identification

Record ID 2267  
Property Type Residential, Subdivision  
Property Name Rural Residential Land  
Address Ledbetter Road, Buncombe County, North Carolina  
Location Ledbetter Road  
Access Avg  
Street Imp Two lane

Sale Data

Grantor Waightsill Mountain, LLC  
Grantee Windfrey Aulry  
Sale Date November, 2003  
Property Rights Fee simple  
Conditions of Sale Market transaction  
Financing Cash to seller  
Verification Developer, Confirmed by mf

Sale Price \$2,000,000

Land Data

Zoning Not Zoned  
Topography Rolling  
Utilities EWS  
Shape Irrg.  
Flood Info Not in flood plain  
Units/Ac 4.2 u/a  
H/B Use Residential lots

Land Size Information

Gross Land Size 11.190 Acres or 487,436 SF  
Units 47

Indicators

Sale Price/Gross Acre \$178,731  
Sale Price/Gross SF 4.10  
Sale Price/Unit \$42,553

Remarks

Part of Avery Landing that was sold for residential lots with a density of 4.2 u/a. Housing to be single family detached.

*Richmond Hill Inn, Asheville, North Carolina*

**LAND SALE NO. 5**

Property Identification

Record ID	2268
Property Type	Residential, Subdivision
Property Name	Rural Residential Land
Address	Ledbetter Road, Buncombe County, North Carolina
Location	Ledbetter Road
Access	Avg
Street Imp	Two lane

Sale Data

Grantor	Waightstill Mountain, LLC
Grantee	Tyco
Sale Date	November, 2003
Property Rights	Fee simple
Conditions of Sale	Market transaction
Financing	Cash to seller
Verification	Developer; Confirmed by mf

Sale Price	\$1,350,000
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Land Data

Zoning	Not Zoned
Topography	Rolling
Utilities	EWS
Shape	Irrg.
Flood Info	Not in flood plain
Units/Ac.	3.85 u/a
H/B Use	Residential lots

Land Size Information

Gross Land Size	7.792 Acres or 339,420 SF
Units	30

Indicators

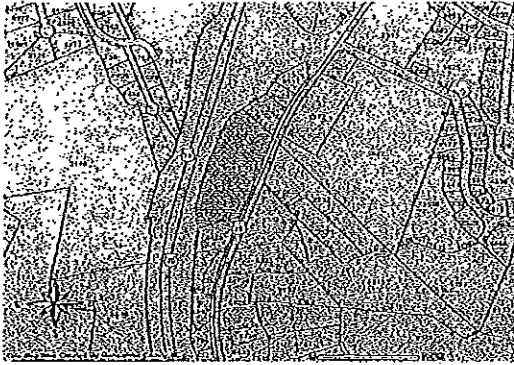
Sale Price/Gross Acre	\$173,255
Sale Price/Gross SF	3.98
Sale Price/Unit	\$45,000

Remarks

Part of Avery Landing that was sold for residential lots with a density of 3.85 u/a. Housing to be single family detached.

*Richmond Hill Inn, Asheville, North Carolina*

LAND SALE NO. 6



Property Identification

Record ID	2320
Property Type	Commercial, Acreage
Property Name	460 Weaverville Hwy
Address	460 Weaverville Hwy, Asheville, Buncombe County, North Carolina 28804
Location	460 Weaverville Hwy
Tax ID	9731.07-57-6915
Township	Asheville
Access	Avg

Sale Data

Grantor	Richard A. Kort Guardian and Carl W. Loffin, Executor, ETUX
Grantee	J. David and Carrie F. Caudle
Sale Date	June, 2002
Deed Book/Page	2825/476
Property Rights	Fee Simple
Conditions of Sale	Market Transaction
Financing	Cash or Equiv
Verification	Jeremy Goldstein, Broker; Other sources: Public Records; Confirmed by jp

Sale Price	\$1,120,000
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Land Data

Zoning	None
Topography	Level/GSlope
Utilities	EWS
Shape	Irregular

Land Size Information

Gross Land Size	5.760 Acres or 250,906 SF
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*Richmond Hill Inn, Asheville, North Carolina*

**LAND SALE NO. 6 (Cont.)**

**Indicators**

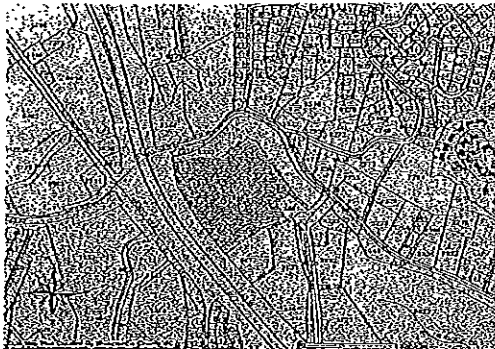
Sale Price/Gross Acre	\$194,444
Sale Price/Gross SF	4.46

**Remarks**

Property bounded by Future I-26 and Weaverville Hwy approx 600' from New Stock Road Exit.

*Richmond Hill Inn, Asheville, North Carolina*

**LAND SALE NO. 7**



**Property Identification**

Record ID	2357
Property Type	Commercial, Acreage
Property Name	Proposed WalMart Site Tract - Swannanoa River Rd
Address	Swannanoa River Road, Asheville, Buncombe County, North Carolina 28806
Location	Proposed WalMart Site Tract - Swannanoa River Rd
Tax ID	9658.14-43-7546
Township	Asheville
Access	Avg

**Sale Data**

Grantor	River Bend-FGC, LLC ETAL
Grantee	Home Properties - Asheville, LLC
Sale Date	November, 2003
Deed Book/Page	3463/530
Property Rights	Fee Simple
Conditions of Sale	Market Transaction
Financing	Cash or Equiv
Easements	Normal
Verification	Other sources: Public Records; Confirmed by jp

**Sale Data (Cont.)**

Sale Price	\$4,550,000
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**Land Data**

Topography	Level to Mod Slope
Utilities	All Public
Shape	Irregular
Flood Info	Portion along Swannanoa River
H/B Use	Comm

**Land Size Information**



*Richmond Hill Inn, Asheville, North Carolina*

**LAND SALE NO. 7 (Cont.)**

Gross Land Size 21.030 Acres or 916,067 SF

**Indicators**

Sale Price/Gross Acre \$216,358

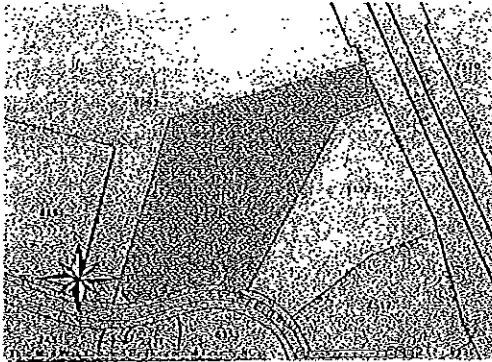
Sale Price/Gross SF 4.97

**Remarks**

Part of site purchased for construction of WalMart Superstore. Price per acre reflects graded site ready for construction.

*Richmond Hill Inn, Asheville, North Carolina*

LAND SALE NO. 8



Property Identification

Record ID	2365
Property Type	Commercial, Office
Property Name	Ridgefield Tract 1
Address	0 Ridgefield Tract 1, Asheville, Buncombe County, North Carolina
Tax ID	9626.12-86-6159
Access	Interstate 1 mile or less

Sale Data

Grantor	Ridgefield Properties LLC
Grantee	BCL LLC
Sale Date	July, 2004
Deed Book/Page	3729/50
Property Rights	Fee simple
Marketing Time	1715
Conditions of Sale	Market transaction
Financing	Cash to seller
Verification	Skip Skoglund, 828-258-1947
Sale Price	\$1,100,000

Land Data

Zoning	None
Topography	Rolling
Utilities	E,S,W
Flood Info	Not in flood plain
H/B Use	Commercial or office development land

Land Size Information

Gross Land Size	10.880 Acres or 473,933 SF
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Indicators

Sale Price/Gross Acre	\$101,103
Sale Price/Gross SF	2.32

Remarks

Also Deed Book/Page 55/98, Subject covenants, conditions, restrictions, and architectural guidelines, plat on file

*Richmond Hill Inn, Asheville, North Carolina*

**LAND SALE NO. 9**

**Property Identification**

Record ID	2393
Property Type	Commercial
Property Name	Vac. Land
Address	20 Patton Cove Road, Swannanoa, Swannanoa, Buncombe County, North Carolina 28778
Location	Patton Cove Rd.
Tax ID	9668.08-89-8842
Township	Swannanoa
Access	Interstate 1mi or less

**Sale Data**

Grantor	Lummus, Ray Gene & Brenda Faircloth Lummus
Sale Date	October, 2004
Marketing Time	0
Financing	Cash to seller
Verification	Nathan Best, 828-273-5888; Confirmed by Administration

Sale Price	\$800,000
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**Land Data**

Zoning	CH, Commercial Highway
Topography	Rolling
Utilities	ESW

**Land Size Information**

Gross Land Size	8.000 Acres or 348,480 SF
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**Indicators**

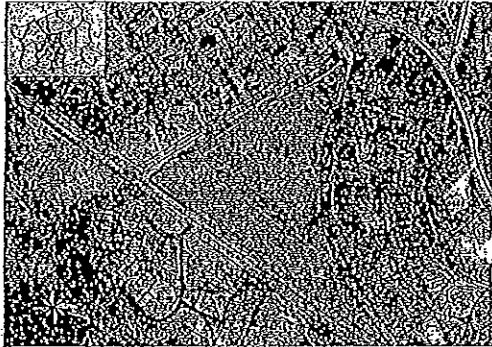
Sale Price/Gross Acre	\$100,000
Sale Price/Gross SF	2.30

**Remarks**

8 acres on busy hwy interchange

*Richmond Hill Inn, Asheville, North Carolina*

LAND SALE NO. 10



Property Identification

Record ID	2514
Property Type	Development Land
Property Name	Nine South Townhomes
Address	825 Hwy 9, Black Mountain, Buncombe County, North Carolina
Location	Hwy 9, south of Black Mountain
Tax ID	0618.02-59-3892

Sale Data

Grantor	Sheila C. Bethel Revocable Trust
Grantee	Nine South LLC
Sale Date	December, 2004
Deed Book/Page	3871/385
Property Rights	Fee Simple
Conditions of Sale	Market transaction
Financing	New Loan
Sale History	11/18/02- title transfer, no excise tax
Easements	Typical PUE assumed
Verification	Grantee; Other sources: Public records, Inspection; Confirmed by Administration

Sale Price	\$480,000
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Land Data

Zoning	R-20- PUD
Topography	Level/Gentle Slope
Utilities	All public
Shape	Irregular
Flood Info	Not in FP
ILB Use	Residential development

Land Size Information

Gross Land Size	5.850 Acres or 254,826 SF
Actual Units	26

*Richmond Hill Inn, Asheville, North Carolina*

**LAND SALE NO. 10 (Cont.)**

**Front Footage** 700 ft Hwy 9; 720 ft Lakey Gap

**Indicators**

**Sale Price/Gross Acre** \$82,051

**Sale Price/Gross SF** 1.88

**Sale Price/Unit** \$18,462

**Remarks**

Well located residential subdivision developed into high end townhomes. Purchased with 26 units allowed, the developer is attempting to receive approval for a total of 32 units.

*Richmond Hill Inn, Asheville, North Carolina*

LAND SALE - ACREAGE ANALYSIS

	FACTUAL Subject	Land Sale #8	Land Sale #10	Land Sale #3
PROPERTY RIGHTS CONVEYED	Fee Simple	Fee Simple	Fee Simple	Fee Simple
CONDITIONS OF SALE	Market/Cash	Market/Cash	Market/Cash	Market/Cash
MARKET CONDITIONS (TIME)	Aug-05	Jul-04	Dec-04	Apr-03
LOCATION	Avg	Avg	Avg	Avg
ACCESS	Avg	Avg	Avg	Avg
SIZE	41.510	10.880	5.850	40.870
FRONTAGE	Avg	Avg	Avg	Avg
TOPOGRAPHY	Sloping	Sloping	Sloping	Sloping
UTILITIES	EWS	EWS	EWS	EWS
ZONING	None	None	None	None
DENSITY	NA	NA	NA	NA
FUNCTIONAL	Functional	Functional	Functional	Functional
AMENITIES	Avg	Avg	Avg	Avg
SALES PRICE	N/A	\$1,100,000	\$480,000	\$3,600,000
PRICE/ACRE	N/A	\$101,103	\$82,051	\$88,084

ADJUSTMENTS (%)

PROPERTY RIGHTS CONVEYED		0%	0%	0%
CONDITIONS OF SALE		0%	0%	0%
MARKET CONDITIONS (TIME)	3%	4%	2%	7%
LOCATION		0%	20%	0%
ACCESS		-10%	-10%	-10%
SIZE		-10%	-10%	0%
FRONTAGE		0%	0%	0%
TOPOGRAPHY		0%	0%	0%
UTILITIES		0%	0%	0%
ZONING		0%	0%	0%
DENSITY		0%	0%	0%
FUNCTIONAL		0%	0%	0%
AMENITIES		0%	0%	0%
NET ADJUSTMENTS(%)		-16%	2%	-3%

INDICATED DOLLAR ADJUSTMENTS	(\$16,176)	\$1,641	(\$2,643)
INDICATED PRICE PER ACRE	\$84,926	\$83,692	\$85,442

Therefore, indicated value range is:  
Correlated Value of:

	\$83,692	to	\$85,442
	\$85,000		
	41.51		
Value Indication	\$3,528,350		

*Richmond Hill Inn, Asheville, North Carolina*

## VALUATION OF TWO RESIDENTIAL OFFSITE HOUSES

### (Property Description)

86 Richmond Hill – One story, frame residence with a full basement. The house contains approximately 960 sq. ft. of living area and has a 960 sq. ft. unfinished basement. The room count is 5-3-2.0 and has an effective age of approximately 15 years. There is a covered front porch and a deck at the rear of the house. The lot is sloping, wooded and is typical of the neighborhood. The house is valued at \$175,000 with supporting comparables provided in the Addendum.

88 Richmond Hill – One story, frame residence with a full basement. The house contains approximately 1,008 sq. ft. of living area and has a full basement with 528 sq. ft. of finished basement. The room count is 5-3-1.5 and has an effective age of approximately 15 years. There is a covered front porch and a deck at the rear of the house. The lot is sloping, wooded and is typical of the neighborhood. The house is valued at \$175,000 with supporting comparables provided in the Addendum.

Total value for the two houses is estimated at \$350,000

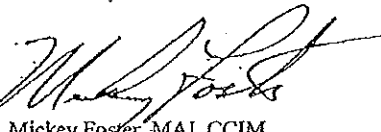
### THE RECONCILIATION OF MARKET VALUE -- Total Property

The reconciliation process consists of reviewing various independently derived valuation methods, weighing respective merits, and correlating the conclusions into a final estimate of value. In order to estimate the market value of the property being appraised, proper weight has to be given to each individual approach and its estimate of value.

### Final Reconciliation

After analysis of the Market and Income Approaches to Value and considering the type and reliability of the data upon which it was based, as well as the strength of the local market for the subject property type, the subject's value was estimated. Primary weight has been given to the Income Approach to Value. This value was well supported by the Sales Comparison Approach to Value. Calculations for Business Value can be read in the Addendum section of this report. As such, it is our judgment that the present market value, of the *fee simple* estate, for the subject property, as of the inspection date, is as follows:

Indicated Value of Richmond Hill Inn	\$8,100,000
Value of Surplus Land -- 41.51 ac.	\$3,550,000
Two Residential Houses	\$350,000



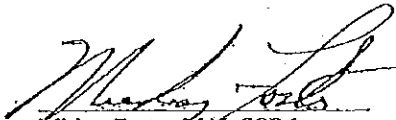
Mickey Foster, MAI, CCIM

*Richmond Hill Inn, Asheville, North Carolina*

**CERTIFICATION**

I certify that, to the best of my knowledge and belief...

1. That the statements of fact contained in this report are true and correct.
2. The report analysis, opinions, and conclusions are limited to only the reported assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate; the attainment of a stipulated result, or the occurrence of a subsequent event.
5. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of the loan.
6. My analysis, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics and Standards of Professional Practice* of the Appraisal Institute.
7. Mickey Foster made a personal inspection of the property that is the subject of this report.
8. No one provided significant professional assistance to the person(s) signing this report.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Practice.
11. As of the date of this report, Mickey Foster has not completed the voluntary requirements of the continuing education program of the Appraisal Institute.

  
Mickey Foster, MAI, CCIM,



*Richmond Hill Inn, Asheville, North Carolina*

**ADDENDUM**

*Richmond Hill Inn, Asheville, North Carolina*

## **ZONING**

### Sec. 7-8-4. RS-8 Residential Single-Family High Density District.

(a) *Purpose.* It is the intent of the RS-8 Residential Single-Family High Density District to establish a high density per acre for single-family dwellings where public infrastructure is sufficient to support such development and to stabilize and protect the district's residential character in areas of existing high density single-family development while promoting a suitable environment for single-family living. Non-single-family development normally required to provide the basic elements of a balanced and attractive residential area is also permitted.

(b) *Permitted uses.*

- Residential.
- Dwellings, single-family detached
- Dwellings, single-family zero lot line

### Sec. 7-8-14. Resort District.

(a) *Purpose.* The Resort District is established to provide an area for the development of resort oriented uses and conference/retreat facilities. This district will provide areas for the development and expansion of facilities which serve primarily tourists and vacationers. Development standards are established to protect adjacent land uses from the adverse impacts of resort development.

(b) *Permitted uses.*

- Residential.
- Dwellings, multi-family
- Dwellings, single-family detached
- Dwellings, single-family, zero lot line
- Recreational.
- Arboretums
- Camps, campgrounds
- Golf courses
- Passive parks
- Recreational uses, commercial indoor
- Recreational uses, commercial outdoor
- Recreational uses, governmental
- Recreational uses, related to residential development
- Recreational uses, restricted to membership, non-profit
- Institutional.
- Adult day care centers
- Adult day care homes
- Assisted living facilities
- Child day care centers
- Child day care homes
- Family care homes
- Places of worship
- Public/semi-public.
- Convention and conference centers
- Fire/police stations
- Museums
- Post offices
- Public utilities and related facilities
- Office/business.

*Richmond Hill Inn, Asheville, North Carolina*

- Barber shops and salons when an accessory to the principal use
- Bed and breakfast homestays
- Bed and breakfast inns
- Bookstores when an accessory to the permitted use
- Candy, pastry, ice cream and snack shops when an accessory to the principal use
- Florists when an accessory to the principal use
- Gift shops when an accessory to the principal use
- Health and fitness facilities when an accessory to the principal use
- Home occupations
- Lodging facilities
- Restaurants
- Studios, galleries, and workshops for artists, craftspeople, designers, photographers
- Wedding chapels, commercial
- Other.
- Accessory structures
- Stables when an accessory to the principal use

JUL 26, 2005 5:28PM  
FROM : NORMAN PAVILLION

1ST CAROLINA ST BANK  
PHONE NO. : 704 8967382

NO. 0221 P. 2  
Jul 26, 2005 04:33AM P2



171 NORTH WINSTEAD AVENUE  
P.O. BOX 8469  
ROCKY MOUNT, NORTH CAROLINA 27804  
PHONE: (252) 937-2152  
FAX: (252) 937-4587

July 26, 2005

Mickey Foster, MAI, CCIM  
869 Sand Hill Road  
Asheville, NC 28806

*Carol J. Zaborney*

RE: Appraisal for property located at:

Richmond Hill Inn  
87 Richmond Hill Dr.  
Asheville, NC 28806

252-9313

Owner - Blount Holland

Dear Mickey:

This letter will serve as your authorization to proceed with the written appraisal of the property outlined above. Please verify the physical address of all the property being taken as collateral.

First Carolina State Bank is your client for this assignment. Please be advised that we will rely on this appraisal as a basis for rendering a decision for loan underwriting and possibly loan syndication purposes. The assignment of this appraisal is not dependent on the value reported.

We require that the appraisal be a Complete Self-Contained Summary Appraisal report completed in accordance with the Uniform Standards of Professional Appraisal Practice ("USPAP") of the Appraisal Foundation, "FIRREA" regulatory requirements, plus any special instructions attached to this letter.

The property is to be valued: (USE WHICHEVER OF THE FOLLOWING APPLIES.)

- ☒ "As Is," current condition as of the appraisal date.
- ☐ Future value upon completion of construction or rehabilitation.
- ☐ Future economic stabilized value, fully leased.

This assignment may not be subcontracted to an outside individual or firm without prior written consent of First Carolina State Bank.

Your agreed total fee for this assignment will not exceed \$6900.00 and is due after delivery of two copies of the appraisal report, and our satisfactory review. William G. Gray has agreed to pay for the appraisal and he should be billed directly for the appraisal fee. The following is his address:

Mr. William G. Gray  
Lake Norman Pavilion, LLC  
148 Carriage Club Dr.  
Mooresville, NC 28117

Please make certain that our Guidelines are adhered to and that there are no errors in the report, as this may cause the appraisal to be returned or payment to be delayed.

Pursuant to the agreement between Foster Real Estate Appraisers, Inc. and First Carolina State Bank, the completed Self-Contained Summary Appraisal report shall be delivered to us on or before August 15,

YOUR  
HOMETOWN  
BANK

RH10405

JUL 26 2005 5:28PM 1ST CAROLINA ST BANK  
FROM : NORMANPAULION ..... PHONE NO. : 704 8967382

NO. 0221 P. 3  
Jul. 27 2005 64.53AM P3

2005. Time is of the essence. Therefore, please contact me immediately if completion of this assignment is delayed for any reason or if you encounter unusual problems. All copies of the appraisal reports should be delivered to my attention.

If this letter represents your understanding of our discussion and you agree to complete the appraisal report in accordance with these terms and conditions, please sign the enclosed copy of this letter and return same to me at your earliest convenience.

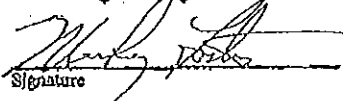
Sincerely,

N. Dean Bradshaw

Enclosure

ACKNOWLEDGMENT

Acknowledged and Agreed:

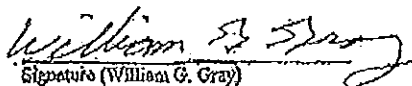
  
Signature

MICKEY FOSTER, NAE, PCIM  
Printed

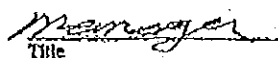
Title

7-27-05  
Date

Agree to pay the appraisal fee as a direct bill from Foster Real Estate Appraisers, Inc.

  
Signature (William G. Gray)

William G. Gray  
Printed

  
Title

7/26/05  
Date

RH10406

Page 1 of 2)

OK 1773 PG 484

STATE OF  
NORTH  
CAROLINA



Department of The  
Secretary of State

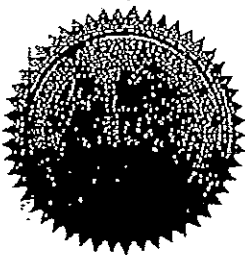
To all whom these presents shall come, Greetings:  
I, Rufus L. Edmister, Secretary of State of the State of  
North Carolina, do hereby certify the following and hereto  
attached to be a true copy of

ARTICLES OF AMENDMENT  
OF  
THE EDUCATION CENTER, INC.

Which changed its name to:  
RICHMOND HILL, INC.

the original of which was filed in this office on the 1st day of  
November, 1993.

IN WITNESS WHEREOF, I have hereunto set my  
hand and affixed my official seal at the City of  
Raleigh, this 1st day of November, 1993.



*Rufus L. Edmister*  
Secretary of State

[Page 2 of 2]

DK 1773 PG 485

C-0076051  
**FILED**  
9:00 AM  
NOV 01 1993  
EFFECTIVE  
RUFUS L. EDMISTEN  
SECRETARY OF STATE  
NORTH CAROLINA

ARTICLES OF AMENDMENT  
OF  
THE EDUCATION CENTER, INC.

The undersigned corporation hereby submits these Articles of Amendment for the purpose of amending its articles of incorporation:

1. The name of the corporation is: The Education Center, Inc.
2. The following amendment to the articles of incorporation of the corporation was approved by its shareholders on the 29th day of October, 1993, in the manner required by Chapter 55 of the General Statutes:

The name of the Corporation shall be changed by deleting Article I of its Articles of Incorporation and inserting, in lieu and in the place thereof, the following as Article I:

\*ARTICLE I

The name of the Corporation shall be: RICHMOND HILL, INC.\*

This the 29th day of October, 1993.

THE EDUCATION CENTER, INC.

By: *Albert J. Michel*  
Albert J. Michel, President

Page 1 of 21

2.

BUSCOMBE COUNTY  
04/28/2000  
\$202.00  
Real Estate  
Excise Tax

202.00  
Excise Tax

BK 2268 PG 798

REGISTERED  
160 APR 28 P 3 19  
REGISTER OF DEEDS  
SOUTHERN REC. CO. INC.  
APPROPRIATE TO THE BOOK & PAGE

Tax Lot No. Parcel Identifier No. 9639.11-56-6433

Verified by County on the day of 20

by

Mall after recording to

This instrument was prepared by

David W. Cartner 29 North Market Street, Asheville, NC 28601 NO TITLE EXAMINATION PERFORMED

Brief description for the Index  
88 Richmond Hill Drive 28606

**NORTH CAROLINA GENERAL WARRANTY DEED**

THIS DEED made this 28<sup>th</sup> day of April, 2000, by and between

GRANTOR	GRANTEE
NATHAN PATRICK MCKEE and wife, MARGARET LADD MCKEE	RICHMOND HILL, INC., A North Carolina Corporation 3515 W. Market Street Greensboro, NC 27403

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or gender as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in the City of \_\_\_\_\_ County, North Carolina and more particularly described as follows:

BEING all of Lot 17, in Section One as shown on a plat of Richmond Hill Park recorded in the Office of the Register of Deeds for Buncombe County, North Carolina in Plat Book 28 at Page 92, reference to which is hereby made for a more particular description.

Containing 0.32 acres, more or less.

BEING ALSO the same property described in a deed from Curtis Harvey Lane, Jr. and wife, Barbic Lane to Nathan Patrick McKee and wife, Margaret Ladd McKee dated April 11, 1994 recorded in Deed Book 1793 at Page 80, aforesaid county registry.

000564

Book 2268, Page 798

RHI0409



BK 2268 PG 793

The property hereinabove described was acquired by Grantor by instrument recorded Dead Book 1793 at Page 20, Brunswick County, North Carolina, Registry.

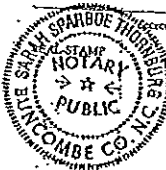
A map showing the above described property is recorded in Plat Book 28 page 92.  
TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever except for the exceptions hereinafter stated.  
Title to the property hereinabove described is subject to the following exceptions:

SUBJECT TO EASEMENTS, RESTRICTIONS AND RIGHTS OF WAY OF RECORD.

IN WITNESS WHEREOF, the Grantee has hereunto set his hand and seal, or if a corporation, has caused this instrument to be signed by its corporate name by its duly authorized officer and its seal to be hereunto affixed by authority of its Board of Directors, this day and year first above written.

(Corporate Name) \_\_\_\_\_  
By: \_\_\_\_\_  
President \_\_\_\_\_  
Secretary (Corporate Seal) \_\_\_\_\_  
NORTH CAROLINA, Brunswick County.  
I, a Notary Public of the County and State aforesaid, certify that NATHAN PATRICK MCKEE and wife, MARGARET LARD MCKEE, Grantors, personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my hand and official stamp or seal, this 27th day of April, 2000.



SEAL/STAMP  
NORTH CAROLINA, Brunswick County.  
I, a Notary Public of the County and State aforesaid, certify that \_\_\_\_\_, Grantee, personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my hand and official stamp or seal, this \_\_\_\_\_ day of April, 2000.  
My commission expires \_\_\_\_\_ Notary Public

The foregoing Conveyance(s) of \_\_\_\_\_  
\_\_\_\_\_

I have certified to be correct. This instrument and this certificate are duly registered at the day and time and in the Book and Page shown on the first page hereof.  
By \_\_\_\_\_ REGISTER OF DEEDS FOR \_\_\_\_\_ COUNTY  
Deputy (Assistant) Register of Deeds.

page 1 of 2)

BK 2330 PG 080

REGISTERED  
2009 AUG 29 A 10:55  
OFFICE OF THE CLERK  
RECORDS & DEEDS  
BUNCOMBE COUNTY, N.C.

BUNCOMBE COUNTY 08/29/2009  
\$224.00  
Real Estate  
Excise Tax

Real Estate Tax \$ 224.00

Recording Time, Book and Page

Tax Lot No. Parcel Identifier No. 9639.11-56-7411

Verified by County on the day of

Mailed after recording to McGuire, Wood & Bissette, P.A., 48 Patton Avenue, Asheville, NC 28801

This instrument was prepared by McGuire, Wood & Bissette, P.A., 48 Patton Avenue, Asheville, NC 28801

Brief description for the index

**NORTH CAROLINA GENERAL WARRANTY DEED**

THIS DEED made this 29th day of August, 2009, by and between

GRANTOR GRANTOR

Darrell L. Jarisch and  
Reece Jarisch, husband and wife  
312 Blackstock Avenue  
Sheboygan, WI 53083

Richmond Hill, Inc., a North Carolina Corp.  
3535 W. Main St.  
Greensboro, NC 27403

Enter in appropriate block for each party, name, address, and, if appropriate, character of entity, e.g. corporation or partnership.

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in the City of Asheville, North Carolina and more particularly described as follows:

County, North Carolina and more particularly described as follows:

BEING all of lot 16, Section 1, of Richmond Hill Park, as shown on the plat recorded in Plat Book 28, Page 92 of the Buncombe County, NC Registry, reference to said plat being made for a more particular description of said lot, and being all of that property conveyed to Darrell L. Jarisch by deed recorded in Book 1844, at Page 076 and also conveyed by Darrell L. Jarisch to Darrell L. Jarisch and wife, Reece Jarisch by deed recorded in Book 2005, at Page 717 of said Registry.

000700

Page 2 of 2

BK 2330 PG 009

The property hereinabove described was acquired by Grantor by Instrument recorded in Book 2005, Page 717; Book 1844, Page 476.

A map showing the above described property is recorded in Plat Book 28 page 92 TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever except for the exceptions hereinafter stated. Title to the property hereinabove described is subject to the following exceptions:  
Subject to all easements, restrictions and rights of way of record and to all valient taxes not yet due and payable.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal of its corporation, has caused this instrument to be signed in its corporate name by its duly authorized officer and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.

(Corporate Name)

By

Testament

ATTEST:

Secretary (Corporate Seal)

USE BLACK INK ONLY

Daniel L. Jirsch

(SEAL)

Rebecca Jirsch

(SEAL)

(SEAL)

(SEAL)

(SEAL)

(SEAL)

NORTH CAROLINA, \_\_\_\_\_ County.

I, a Notary Public of the County and State aforesaid, certify that Daniel L. Jirsch and Rebecca Jirsch, husband and wife

personally appeared before me this day and acknowledged the execution of the foregoing instrument, which is my hand and official stamp on seal, this 29th day of August, 2000.

My commission expires 2-1-2002 Susan Strayhorn-Boston

SEAL-PRIME

NORTH CAROLINA, \_\_\_\_\_ County.

I, a Notary Public of the County and State aforesaid, certify that \_\_\_\_\_ Secretary of

personally came before me this day and acknowledged that \_\_\_\_\_ Secretary of

of and to the use of the corporation, the foregoing instrument was signed in its name by its

President, sealed with its corporate seal and attested by \_\_\_\_\_ Secretary,

Witness my hand and official stamp of seal, this \_\_\_\_\_ day of \_\_\_\_\_

My commission expires \_\_\_\_\_ Notary Public

The foregoing Certificate(s) of \_\_\_\_\_ Susan Strayhorn-Boston

is/are certified to be correct. This instrument and this certificate are duly indicated at the file and time and in the Book and Page shown on the first page hereof.

\_\_\_\_\_ OFFICIAL OF DEEDS FOR \_\_\_\_\_ COUNTY

\_\_\_\_\_ Deputy/Assistant - Register of Deeds

EXHIBIT "A"

DESCRIPTION OF PROPERTY

TRACT I: Being all of that 7.48-acre tract conveyed from The Preservation Society of Asheville and Buncombe County, Inc., a North Carolina corporation, to the Education Center, Inc., a North Carolina corporation, by Deed dated January 21, 1987 and recorded in Deed Book 1462, Page 307, Buncombe County Registry.

TRACT II: Being all of Lot 23, Section 1, of Richmond Hill Park as shown on Plat Book 28, at Page 92, Buncombe County Registry, as conveyed from Thurman W. Cecil, Jr. and wife, Virginia S. Cecil, to The Education Center, a North Carolina corporation, by Deed dated April, 1987 and recorded in Deed Book 1470, at Page 447, Buncombe County Registry.

TRACT III: Being all of that 41.51-acre tract conveyed from Ernest L. McCombs and wife, Phyllis F. McCombs to The Education Center, Inc., a North Carolina corporation, by Deed dated April 21, 1988 and recorded in Deed Book 1517, at Page 581, Buncombe County Registry.

TRACT IV: Being all of that 1.37-acre tract conveyed from Baptist Retirement Homes of North Carolina, Inc. to The Education Center, Inc., a North Carolina corporation, by Deed dated March 1, 1990, and recorded in Deed Book 1597, at Page 207, Buncombe County Registry.

TRACT V: Being all of that 3.31-acre tract conveyed from Metropolitan Sewerage District of Buncombe County, North Carolina, a Public Body and Body Politic and Corporate, to The Education Center, Inc., a North Carolina corporation, by Deed dated March 20, 1990 and recorded in Deed Book 1602, at Page 508, Buncombe County Registry.

TRACT VI: Being Parcel No. 1 containing 1.586 acres, more or less, and Parcel No. 2 containing 0.541 acres, more or less, conveyed from Southern Region Industrial Realty, Inc., a Georgia corporation, to The Education Center, Inc., a North Carolina corporation, by Deed dated November 13, 1992 and recorded in Deed Book 1721, at Page 452, Buncombe County Registry.

TRACT VII: Being all of that 0.575-acre tract conveyed from Baptist Retirement Homes of North Carolina, Inc. to The Education Center, Inc., a North Carolina corporation, by Deed dated February 9, 1993, and recorded in Deed Book 1732, Page 486, Buncombe County Registry.

TRACT VIII: Being all of Lot 16, Section 1, of Richmond Hill Park, as shown on that plat recorded in Plat Book 28, Page 92 of the Buncombe County, NC Registry, reference to said plat being made for a more particular description of said lot, and being all of that property conveyed to Richmond Hill, Inc. by Deed recorded in Book 2330, Page 88, Buncombe County Registry.

TRACT IX: Being all of Lot 17, in Section One as shown on a plat of Richmond Hill Park recorded in the Office of the Register of Deeds for Buncombe County, North Carolina in Plat Book 28 at Page 92, reference to which is hereby made for a more particular description, and being all of that property conveyed to Richmond Hill, Inc. by Deed recorded in Book 2268, Page 798, Buncombe County Registry.

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richmond hill

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P. 3

EXHIBIT "E"

EXCEPTIONS TO GENERAL WARRANTY DEED

1. Taxes for the year 2005 and subsequent years.
2. Restrictive covenant document(s) recorded in Book 1280, Page 442; Book 780, Page 175; and Book 1597, Page 207.
3. Easements and any other facts as shown on recorded map in Plat Book 9, Page 148; Book 28, Page 92; and Book 40, Page 25.
4. Right(s) of way of Richmond Hill Road (Drive), Pearson Bridge Road, Pearson Drive and Rolling Oaks Drive to their full legal widths.
5. Easement(s) to Carolina Power and Light Company recorded in Book 1547, page 705; Book 1222, Page 373; Book 760, Page 128; Book 1204, page 519; Book 1556, Page 468; Book 497, Page 358 (Tracts I, IV, V, VI, VII).
6. Easement(s) to State Highway Commission recorded in Book 1014, Page 617; Book 1014, Page 619; Book 1017, Page 411; and Book 1017, Page 413 (Tract I, II, V).
7. Waterline easement(s) to the City of Asheville recorded in Book 1563, page 716.
8. Public Service Company Easement(s) recorded in Book 1750, Page 668, and Book 783, Page 221 (Tracts I and V).
9. Easement(s) recorded in Book 1189, Page 460, and Book 1602, page 508.
10. Joint Buffer Agreement and easement with Baptist Retirement Home recorded in Book 1732, Page 479.
11. Right of way to Western North Carolina Baptist Retirement Home recorded in Book 1183, page 423 (Tract II).
12. Right(s) of way of Riverside Drive as recorded in Book 1098, Pages 417 and 419.
13. Right of way for public utilities (Tract II).
14. Right(s) of way of Southern Railway to its full legal width.
15. Rights of others in and to the continued and uninterrupted flow of a small branch and the French Broad River affecting the land.

AS TO TRACTS I, II, III, IV, V, AND VII:

16. Power pole(s) located on insured land and power line(s) crossing said land as shown on survey by J. Glenn Haynes, Registered Land Surveyor, dated October 20, 1994.
17. Manholes and trailer located on the insured land as shown on survey by J. Glenn Haynes, Registered Land Surveyor, dated October 20, 1994.

AS TO TRACT VI:

18. Power pole(s) located on insured land and power line(s) crossing said land as shown on survey by J. Glenn Haynes, Registered Land Surveyor, dated October 21, 1994.
19. Encroachment of frame building and asphalt situate on property adjoining to the Northwest onto insured land as shown on survey by Registered Land Surveyor, dated October 21, 1994.
20. Lease with Baptist Retirement Home recorded in Book 1732, Page 474.
21. Reservation of all easements necessary for the reasonable use, maintenance, repair and construction or reconstruction of all existing utility lines (including gas, sanitary sewer, water, electrical and storm sewer lines) in, upon, over or under the insured land as described in Book 1189, page 460 (Tract IV).
22. Reservation of all additional easements in, upon, over and across the insured land for any utility lines which may reasonably be required in the future to serve the retained property of the Baptist Retirement Homes of North Carolina, Inc. (formerly North Carolina Baptist Homes, Inc.) as set forth in Deed recorded in Book 1597, Page 207, subject to the approval of the Education Center, Inc., which approval shall not be unreasonably withheld (Tract IV).
23. Covenant and Agreement that no improvements (including parking areas and roadways) shall be constructed within ten (10) feet of the northwestern boundary line of the insured land, which line shall be the common new boundary between the property of the Education Center, Inc. and the adjoining real property retained by the Baptist Retirement Homes of North Carolina, Inc. (formerly North Carolina Baptist Homes, Inc.) as set forth in Deed recorded in Book 1597, Page 207 (Tract IV).
24. Reservation of easements for any and all presently existing utility and sewer lines and necessary appurtenances thereto over and under the insured land as set forth in Deed recorded in Book 1602, Page 508 (Tract V).

AS TO TRACT VIII:

25. Restrictions appearing of record in Book 780, Page 175, and Book 780, Page 429.

26. Building setback line of thirty-five (35) feet from the front, as shown on the recorded plat of subdivision.
27. Title to that portion of insured premises within the right-of-way of Richmond Hill Drive.
28. Easement(s) to State Highway Commission recorded in Book 1014 at Page 617, and Book 1014, Page 619.

AS TO TRACT IX:

29. Rights of way for public utilities.
30. Restrictive covenant document(s) recorded in Book 780, Pages 175 and 429. Note: There is a violation of the restrictive covenants in that the thirty-five (35) foot building setback line has been violated.
31. Easements and any other facts as shown in Plat Book 28, Page 92.
32. Easement(s) to Carolina Power and Light Company recorded in Book 1533, page 411.

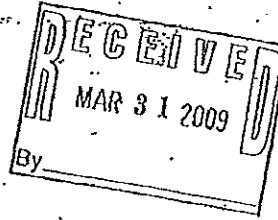
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PAGE 02/34

**BAKER  
DONELSON**  
BEARMAN, CALDWELL  
& BERKOWITZ, PC

VIRGINIA G. LOVE  
Direct Dial: 423-209-4113  
Direct Fax: 423-756-9551  
E-Mail Address: vlove@bakerdonelson.com



1800 REPUBLIC CENTRE  
633 CHESTNUT STREET  
CHATTANOOGA, TENNESSEE 37420  
PHONE: 423.756.1010  
FAX: 423.756.3447  
www.bakerdonelson.com

March 16, 2009

Mr. Jim Sloggart, Individually and as Managing Partner  
Gateway Park Properties, LLC  
25 C. Charlotte Street  
Charleston, SC 29403

VIA E-MAIL AND CERTIFIED MAIL  
7001 0320 0902 1109 7966

Re: The Hammocks, LLC.

Dear Jim:

As you are aware, this firm represents The Hammocks, LLC, (hereafter "the Hammocks") as to which you individually and as Managing Partner of Gateway Park Properties, LLC (hereafter "Gateway") are limited partners. Further, you, individually, are the "developing partner" of the Hammocks on which your partnership percentage was based and have obligations to the Hammocks as such developing partner. This letter is with respect to the breach of your agreements with the Hammocks and your duties both individually and as representative of Gateway to the Hammocks and the resulting damages to the Hammocks.

1. The Hammocks is not going to sit by and let you swindle the Hammocks like you did on the Mt. Pleasant Property. No action was taken with respect to your failure to fulfill your commitments regarding the Mt. Pleasant property because of your commitments to develop the adjacent land to the Richmond Hill Inn (hereafter "RHI") upon the purchase of RHI. However in three and one-half years, you still have failed to take the first action to fulfill this commitment. You have submitted no Site Plan, no Engineering Plan, no Road Plan, no Architectural Design, or no appropriate Zoning or Site approval. This was to be your contribution to the Hammocks with respect to the RHI project. Your failure to carry out your commitment to do such development of RHI adjacent land has deprived the Hammocks of at least 30 million dollars and a loss of over 12 million in property which is now in foreclosure in large part due to your failure to perform said agreed development. Therefore, the Hammocks is hereby demanding 42 million dollars in damages for your failure to perform as developing partner.

2. You were further committed and were obligated to contribute the properties placed in the name of Gateway purely for tax free exchange purposes to the Hammocks and have failed to do so after repeated demands. Your failure to so contribute the Gateway properties to the partnership in exchange for Gateway's interest in the Hammocks, has deprived the Hammocks of all of the property which it should rightfully own, resulting in the foreclosure of 12 million dollars of property and, in addition, resulting in damages to Lake Norman Pavilion, LLC of \$3,500,000 of collateral on other properties that are now jeopardized by the foreclosure against RHI and such collateral of Lake Norman Pavilion, LLC.

C VCL 442538 v1  
2501413-000001 3/16/2009

ALABAMA • GEORGIA • LOUISIANA • MISSISSIPPI • TENNESSEE • WASHINGTON, D.C. • BEIJING, CHINA



2 copies to be filed  
with the court

RHI0417



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PAGE 03/34

Mr. Jim Sloggart  
March 16, 2009  
Page 2

Your failure to live up to your obligations to contribute the Gateway properties to the Hammocks in exchange for its partnership interest in the Hammocks has resulted in an additional loss of ten and one half million dollars.

3. Further, Gateway has failed to contribute its pro rata share of the mortgage payments or taxes on its properties for three and one-half years, resulting in additional substantial damages to the Hammocks for these unpaid obligations which has contributed to the financial problems of RHI.

4. When financing was available through Shawn Jacobs, you refused to sign loan documents on behalf of Gateway, therefore contributing to the foreclosure of RHI against the Hammocks.

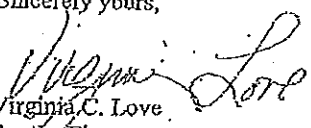
5. You have illegally deducted losses from the Hammocks on Gateway's interest and thereby are committing tax fraud, since Gateway is not a legitimate partner in the Hammocks, having never contributed its property in exchange for its partnership interest.

6. When RHI was listed for sale, Gateway wrongfully refused to sign the listing agreement thereby making it impossible to do anything with the property, to the great detriment of the Hammocks and therefore leading to the foreclosure against the Hammocks.

Given all of the breaches of your commitments and all of your actions and inactions that have caused damages to the Hammocks and breached your duty of loyalty to the partnership, the Hammocks has substantial causes of action against you and Gateway. The Hammocks is willing to settle all of its damages by the payment of \$9,000,000 in cash if paid in the next 30 days. The Hammocks will take all legal and equitable recourse available to it against you and against Gateway for your breach of your duty and Gateway's duty to the partnership upon your failure to pay such demand within 30 days.

Please conduct yourself accordingly.

Sincerely yours,

  
Virginia C. Love  
For the Firm

VCL:edb

cc: Dr. William G. Gray